

**MINUTES of the
DELAWARE ECONOMIC & FINANCIAL ADVISORY COUNCIL**

Buena Vista – September 17, 2018

Attendance:

| Member | Present |
|------------------|----------------|
| N. Batta | Yes |
| C. Bo | Yes |
| J. Bullock | Yes |
| L. Davis Burnham | Yes |
| R. Byrd | Yes |
| J. Casey | No |
| J. Cohan | No |
| N. Cook | Yes |
| F. Dixon | Yes |
| K. Dwyer | Yes |
| B. Fasy | Yes |
| R. Geisenberger | Yes |
| R. Glen | Yes |
| G. Hindes | No |
| J. Horthy | No |
| M. Houghton | Yes |

| Member | Present |
|---------------|----------------|
| M. Jackson | Yes |
| J. J. Johnson | Yes |
| K. Lewis | Yes |
| A. Lubin | No |
| G. Marcozzi | Yes |
| I. McConnel | No |
| C. Morgan | Yes |
| M. Morton | Yes |
| E. Ratledge | Yes |
| T. Shopa | Yes |
| D. Short | Yes |
| K. Simpler | Yes |
| G. Simpson | No |
| D. Swayze | Yes |
| K. Walker | Yes |

Members in Attendance: 24

Members Absent: 7

Others Present: A. Aka, B. Doolittle, L. Druck, C. Engelsiepen, A. Fletcher, R. Goldsmith, M. Hopkins, A. Jenkins, J. Johnstone, K. Knight, J. Lawes, E. Lewis, M. Magarik, B. Mayrack, R. Morris, B. Motyl, J. Nauman, E. Park, A. Penney, N. Roby, D. Roose, C. Schultz, L. Thornton and J. Vaughan and members of the press.

Opening Business: Mr. Houghton called the meeting to order at 1:30 p.m.

Mr. Houghton introduced Ms. Kristin Dwyer from the Delaware State Education Association and Dr. Kara Walker, DHSS Cabinet Secretary, as new members of DEFAC. He also announced the coming retirement of Rep. J. J. Johnson from DEFAC.

Mr. Houghton noted the switch from binders to an online (EBoard) presentation of the

materials. Ms. Bo said that having the main tabs from the binders will be useful. Mr. Geisenberger invited all members to familiarize themselves with EBoard.

The minutes from the June meeting were approved as submitted.

Expenditure Forecasts:

Mr. Ratledge and Mr. Jackson presented the General Fund Expenditure forecasts.

Mr. Ratledge reviewed the Balance Sheet method. He noted a Budget Act of \$4,270.8 million for FY 2019, a positive cash to the Bond Bill of \$189.0 million, an increase in Grant-in-Aid to \$52.1 million, a rise in prior years' Continuing and Encumbered to \$184.1 million and a nonzero value for Supplemental (\$49.2 million).

Mr. Ratledge also mentioned the Reversions estimate of \$10.0 million, the Encumbered estimate of \$40.1 million and Continuing estimate of \$197.2 million. Overall the FY 2019 Expenditure estimate amounted to \$4,497.8 million, which is 9.2% higher than the FY 2018 value. Mr. Ratledge attributed the high growth rate to one-time expenditures.

Mr. Jackson explained that one-time budget initiatives worth approximately \$240.0 million can be traced to such factors as employee bonuses and retiree pension supplements. He added that the budget included the largest amount of general fund cash to capital projects in the past 6 years. Mr. Jackson indicated that the expenditure estimate will be fine-tuned over the next few months.

Mr. Ratledge noted that the proposed FY 2019 expenditure estimate represented 94.8% of spending authority, easing from 95.3% posted last year. Mr. Jackson said that 97% of available resources have been appropriated, which allowed the State to set aside \$47.0 million.

Mr. Ratledge also reviewed the Functional method. Salaries are forecast to rise by 4.6% during FY 2019, while Fringe Benefits are expected to grow by 7.1% and Pension is estimated to jump by 15.9%. Mr. Jackson attributed the growth in the Pension estimate to two factors: funding set aside in the budget for the hiring of 200 additional teachers and a decrease in the long-term investment return rate from 7.2% to 7.0%. He expected a normalized growth in the Pension cost during FY 2020 due to positive returns on the pension fund.

Mr. Houghton pointed out the large increase in overall Health Care cost and asked how the State compares with other jurisdictions. Mr. Jackson replied that Delaware is not an anomaly. He explained that figures presented at DEFAC represented the State's share of monthly premium for employee health care cost, which is influenced by the number of additional employees that are expected to be on the payroll.

Rep. Johnson said that the limit on funding in the budget to 97% was a conscious decision made by the budget committee. He noted legislation proposed in that regard, which did not get traction in the General Assembly.

In response to a question from Mr. Fasy, Mr. Jackson said 7.0% represented the long-term investment return rate on Pension funds that is consistent with a 90% funded ratio. Mr. Geisenberger added that the long-term rate does not make Delaware the most conservative since some states have lower rates. Mr. Jackson said that Delaware has a fully funded pension plan and an unfunded liability for long-term Other Post-Employment Benefits (OPEB). Mr. Simpler clarified that the State is 90% funded on an actuarial basis. Mr. Geisenberger added that the ratio is often close to 100% if one were to take a snapshot in time of the market, but it is at 90% using long-term earnings and trends.

Mr. Ratledge said that the Debt Service estimate is lower than in FY 2018, whereas Grants, Medicaid and Contractual Services are significantly higher. Mr. Jackson explained that the Grants category includes funding for institutions of higher education as well as funding that support the Grant-in-Aid allocation. Mr. Nauman indicated that the cash to the Bond Bill is included in Grants.

Mr. Jackson explained that the Medicaid appropriation remained unchanged in the budget. However the appropriate state and federal shares are still being reconciled. He also said that actual enrollment in each of the two Managed Care Organizations (Highmark and AmeriHealth) will only be known by December, and are currently estimated in the Medicaid estimate. In response to a question from Mr. Simpler, Mr. Jackson said that Medicaid Federal reimbursement rate is expected to decrease moderately in FY 2020 (See Table 1a, Table 1b and Table 1c for complete details).

A motion was made, seconded and approved to accept \$4,497.8 million as the Expenditure estimate for FY 2019. The estimate represents an increase of \$379.7 million from FY 2018.

Revenue Forecasts:

Mr. Lewis, Mr. Knight, Ms. Mayrack, Mr. Simpler and Mr. Roose presented the General Fund Revenue forecasts.

Economic Outlook

Mr. Aka presented economic forecasts for the U.S. (produced by IHS Markit ("IHS")) and Delaware (developed by the Department of Finance). He noted that the national GDP outlook was little changed despite comprehensive data revision by the Bureau of

Economic Analysis (BEA). However the revision has affected forecasts for components of U.S. personal income. Mr. Aka mentioned the lower U.S. Wages and Salaries forecast despite upward revision in the historical data. He also described the minor forecast changes for Delaware. He pointed out that the BEA will release a comprehensive revision of the States' personal income data in late September, which could affect Delaware's forecasts.

After noting that econometric models do not forecast recessions, Mr. Dixon turned his attention to the flattening and potential inversion of the yield curve. He mentioned that the yield curve has inverted prior to all 7 recessions since 1969 by an average lead time of 12 months. Mr. Dixon said that the yield curve has been exceptionally flat recently. He mentioned that economists do not seem concerned because they believe that factors such as low inflation and the high Federal Reserve balance sheet are depressing long-term interest rates. Mr. Dixon expressed cautious optimism for the U.S. economic outlook.

General Fund Revenues - Fiscal Year 2019:

The Revenue Subcommittee recommended the following updates to June's estimates:

| Revenue Category | Jun-18 | Sep-18 | Change |
|------------------------------|---------------|---------------|---------------|
| Abandoned Property | 525.0 | 554.0 | 29.0 |
| PIT Refunds | (248.8) | (240.9) | 7.9 |
| Lottery | 209.8 | 203.6 | (6.2) |
| Gross Receipts Tax | 252.5 | 258.0 | 5.5 |
| Corporate Fees | 122.4 | 127.4 | 5.0 |
| Personal Income Tax | 1,735.1 | 1,730.8 | (4.3) |
| Realty Transfer Tax | 158.0 | 154.1 | (3.9) |
| Cigarette Taxes | 130.3 | 126.7 | (3.6) |
| Dividends and Interest | 19.7 | 16.2 | (3.5) |
| Uniform Commercial Code | 23.6 | 26.6 | 3.0 |
| Other Refunds | (22.0) | (23.1) | (1.1) |
| Bank Franchise Tax | 91.5 | 90.5 | (1.0) |
| Other Revenues | 72.9 | 73.4 | 0.5 |
| Hospital Board and Treatment | 38.3 | 37.8 | (0.5) |
| Insurance Taxes | 78.6 | 78.7 | 0.1 |
| Public Utility Tax | 37.0 | 37.1 | 0.1 |

For a complete listing of FY 2019 estimates, see Table 2.

Legislative Actions Enacted after DEFAC's June Forecast:

The legislative changes include an \$11.4 million reduction to the Lottery due to the

adjustments to the revenue sharing formulas, a \$5.0 million reduction from the first-time homebuyer Realty Transfer Tax credit (\$3.9 million in Realty Transfer Tax and \$1.1 million in Other Refunds for the retroactive portion), and, beginning in FY 2020, a \$5.0 million reduction as a result of the Angel Investor tax credit. (See Table 2 for complete details).

Discussion of FY 2019 Estimates:

PIT Less Refunds: Mr. Roose recommended an increase in the estimate by \$3.6 million.

Mr. Roose noted little change to the forecasts for revenue sources that are economically sensitive. This is due to only having 2 months of revenue collections, minimal miss for FY 2018, and broadly unchanged economic outlook.

Mr. Roose indicated that the large FYTD growth in Withholding reflects 3 State paydays in August 2018 and unusual options activities this year. He expected growth to ease in coming months.

Mr. Roose said Estimated payments are expected to be flat this year after a strong 13.3% growth last year. Half of the FY 2018 growth came from December's growth as taxpayers took advantage of last year's State and Local deduction liabilities. Mr. Roose added that extension returns due in October will show whether or not the December growth represented real liability.

Business Entity Fees & Uniform Commercial Clause (UCC): Mr. Knight recommended an increased in the estimates by a total of \$8.0 million.

Mr. Knight said the estimates are a reflection of the economy and higher transactions.

Abandoned Property: Mr. Roose recommended an increase in the estimate by \$29.0 million.

Ms. Mayrack said General Fund revenues are expected to be at the statutory cap of \$554.0 million this year. She explained that most of the revenue come from annual filings which are very stable unless there are court decisions. As a result the variance in the estimate comes from both the VDA program, which is managed by the Secretary of State office, and the enforcement/audit program. Ms. Mayrack added that a certain level of comfort regarding audits and VDAs has to be reached before one can change the revenue estimate.

In response to a question from Mr. Houghton, Ms. Mayrack said expenses are

paid first when gross collections exceed the statutory cap and any additional excess revenue is set aside in several buckets.

Ms. Mayrack said that claims are unchanged from the June estimate. They are significantly higher in FY 2019 because of backlogs caused by fraud prevention measures. Ms. Mayrack expressed confidence that her office will work through the backlogs due to increased staff.

Gross Receipts Tax: Mr. Roose recommended an increase in the estimate by \$5.5 million.

Mr. Roose noted last year's adjusted growth rate of 6.6% for the revenue category, and that a deceleration to the previously forecast adjusted growth of 3.4% seemed unlikely given the stable economic outlook. Accordingly, a more modest slowdown to 4.2% was recommended.

Lottery: Mr. Roose recommended a decrease in the estimate by \$6.2 million.

Mr. Roose explained that the \$11.4 million decline in the revenue due to the legislative change is partially offset by the implementation of new Player High Definition machines at retail locations and strength in Sports lottery.

Corporate Income Tax (CIT): Mr. Roose did not recommend a change in the estimate.

Mr. Dixon asked why the double digit decline (-19.5%) in gross collections this year in light of growing corporate profits. Mr. Roose answered that the decline can be traced to extraordinary payments made last year as well as the ongoing phase-in of the single factor sales apportionment. He also said that excluding legislative changes CIT is expected to drop by 16.8% in the fiscal year. Mr. Johnstone said such a decline followed a strong 30.6% increase in the previous year. Mr. Roose also mentioned that CIT usually represents 3 years of economic activity and that the size of the State renders the revenue category extremely volatile.

Realty Transfer Tax: Mr. Roose recommended a decrease in the estimate by \$3.9 million to reflect the impact of first-time homebuyer tax credits.

Cigarette Tax: Mr. Roose recommended a decrease in the estimate by \$3.6 million.

Mr. Roose said the FY 2018 forecast miss of \$5.0 million was due to the fact that the year-end reconciliation of stamps bought on credit was collected in FY 2019 since June 30, 2018, fell on a weekend. He noted that June 30 of this fiscal year will also be on a weekend. As a result, this year's year-end payment

is expected in fiscal year 2020, along with 2020's payment.

Bank Franchise Tax: Mr. Glen recommended a decrease in the estimate by \$1.0 million.

Mr. Glen said the change is minor and mostly due to tracking.

Insurance Tax: Mr. Roose recommended an increase in the estimate by \$0.1 million to reflect the small forecast miss of FY 2018.

Dividends and Interest: Mr. Simpler recommended a decrease in the estimate by \$3.5 million.

Mr. Simpler mentioned that policy changes more generously shared returns with various special funds.

Other Revenues: Mr. Roose recommended an increase in the estimate by \$0.5 million.

Mr. Roose attributed the increase to special fund transfers mandated in the FY 18 budget.

Other Refunds: Mr. Roose recommended a decrease in the estimate by \$1.1 million to reflect the retroactive portion of the first-time homebuyer tax credit.

FY 2019 Estimate Adopted:

A motion was made, seconded and approved to accept \$4,410.8 million as the revenue estimate for FY 2019. The estimate represents an increase of \$27.4 million from the June estimate. Coupled with legislative changes, the estimate represents a net increase of \$43.3 million from June.

General Fund Revenues - Fiscal Year 2020:

The Revenue Subcommittee recommended the following updates to June's estimates:

| Revenue Category | Jun-18 | Sep-18 | Change |
|------------------------------|---------|---------|--------|
| Abandoned Property | 500.0 | 510.0 | 10.0 |
| Lottery | 211.0 | 201.9 | (9.1) |
| Dividends and Interest | 26.6 | 18.7 | (7.9) |
| Gross Receipts Tax | 261.2 | 268.3 | 7.1 |
| Limited Partnerships & LLC's | 331.8 | 338.2 | 6.4 |
| Corporate Fees | 125.6 | 130.6 | 5.0 |
| Personal Income Tax | 1,827.3 | 1,823.0 | (4.3) |
| Realty Transfer Tax | 165.1 | 161.6 | (3.5) |
| Uniform Commercial Code | 24.2 | 27.6 | 3.4 |
| Cigarette Taxes | 127.7 | 131.1 | 3.4 |
| PIT Refunds | (241.9) | (238.6) | 3.3 |
| Other Refunds | (18.0) | (19.1) | (1.1) |
| Bank Franchise Tax | 96.4 | 95.8 | (0.6) |
| Hospital Board and Treatment | 38.7 | 38.1 | (0.6) |
| Public Utility Tax | 36.1 | 36.5 | 0.4 |
| Insurance Taxes | 72.2 | 72.1 | (0.1) |

For a complete listing of FY 2020 estimates, see Table 2.

Discussion of FY 2020 Estimates:

PIT Less Refunds: Mr. Roose recommended a decrease in the estimate by \$1.0 million.

Mr. Roose explained the change in the estimate is due to legislative changes (Angel Investor tax credit).

Limited Partnerships & LLC's: Mr. Knight recommended an increased in the estimate by \$6.4 million.

Mr. Knight said that the growth rate of the revenue category was raised from 5.0% in June to 7.0%. He pointed out that 5.0% growth represented historical rate but 7.0% is the rate that has been posted more recently.

Abandoned Property: Mr. Roose recommended an increase in the estimate by \$10.0 million.

Ms. Mayrack noted the higher uncertainty surrounding audits in FY 2020.

Dividends and Interest: Mr. Simpler recommended a decrease in the estimate by \$7.9 million.

Mr. Simpler explained that the bulk of the change is due to a trade-off between interest payments to schools and special funds and payments to the General

Fund.

Cigarette Tax: Mr. Roose recommended an increase in the estimate by \$3.4 million on the back of timing issues regarding year-end payments.

Mr. Lewis reported that all other changes reflected legislation and/or the carrying forward of changes made in FY 2019 and maintaining previous growth rates.

FY 2020 Estimate Adopted:

A motion was made, seconded and approved to accept \$4,557.1 million as the revenue estimate for FY 2020. The estimate represents an increase of \$12.2 million from the June estimate. Coupled with legislative changes, the estimate represents a net increase of \$34.4 million from June.

Long Term Forecast Charts: Mr. Roose briefly reviewed the 5-year forecasts for major revenue categories. He noted that the forecasts were based on long term historical trends. Mr. Roose said that PIT was expected to grow by 5.0% in the long term, while Franchise and LLCs were expected to rise by 3.0%; growth in Abandoned Property was expected to be flat. Mr. Roose added that growth in the net General Fund receipts are forecast to increase from 2.1% in FY 2021 to 3.5% in FY 2023 owing to the effects of the Tax Cuts and Jobs Act.

Balance and Appropriations Worksheet: Mr. Johnstone presented the Balance and Appropriations worksheet. The result of this exercise is attached as Table 3.

Budget Smoothing Presentation: Mr. Johnstone made a presentation on Executive Order Number 21, which stemmed from the work of the Advisory Panel to DEFAC on Fiscal Controls and Budget Smoothing, and was signed on June 30 by Governor Carney.

The Executive Order created a Budget Stabilization Fund (BSF) for reporting and budget planning purposes only. The BSF consists of any unencumbered general funds over the 2% set aside. Mr. Johnstone mentioned that the Director of the Office of Management and Budget (OMB) must provide to the Governor amounts recommended to be allocated to or withdrawn from, the BSF in the ensuing fiscal year for the Governor's proposed budget.

Mr. Johnstone noted that the Executive Order is different from the Budget Stabilization Fund proposed by the Advisory Panel. The BSF, as presented by the

Executive Order, is still unencumbered general fund revenue that can be appropriated through the existing budget process. As the BSF is an advisory tool, the Executive Order did not mandate specific deposit or withdrawal rules. Furthermore, the existing Budget Reserve Account is unaffected by the Executive Order.

Mr. Johnstone discussed the role of DEFAC under the Executive Order. DEFAC's expanded role will involve the calculation in December and May of a benchmark index and determination of extraordinary revenue or shortfall based on the current 98% appropriation limit. Moreover, DEFAC will advise on any information necessary for the ongoing evaluation of the Advisory Panel's full recommendations, and will review and recommend changes to the index at least every 5 years.

Mr. Johnstone described the calculation of both the benchmark index and benchmark appropriation as discussed in the Executive Order. He said the Executive Order does not address whether historical or forecast data should be used in the computation of the index, and described alternative methods for such a computation. Mr. Johnstone explained the pros and cons of forecast-based and history-based methods, and noted that a forecast-based index would likely lead to a slightly higher benchmark index given the fact that recessions are not typically forecast. Finally, Mr. Johnstone presented a calculation of the FY 2019 BSF allocation under Executive Order 21. From the calculations, the BSF amounts to \$91.0 million in FY 2019. An illustrative calculation of the FY 2020 benchmark allocation was also depicted.

Mr. Houghton stressed the fact that the calculations are only for planning and advisory purposes. Rep. Short noted that a bill pertaining to the BSF (House Bill number 460) was considered in the General Assembly last year and voted out of committee on June 12.

Mr. Houghton said DEFAC members should not make a decision during the meeting on a particular methodology and approach. He suggested an Expenditure Subcommittee meeting at the end of October for members to be better prepared to make a vote on a recommendation at the December meeting.

Mr. Simpler noted that, had reforms suggested by the Advisory Panel been implemented, the Rainy Day Fund could have doubled in size between last year and next year, to a level that could weather 90% of recessions using Pew's methodology. He added he would like to see DEFAC not only provide advice and guidance but also contextualize the information.

General Fund Forecast Summary: Mr. Johnstone presented the General Fund Forecast summary, which is composed of FY 2018 results, an Economic Outlook,

Revenue and Expenditure updates and the FY 2020 Budget Outlook.

Transportation Trust Fund (TTF)

TTF -- Expenditures: Mr. Motyl presented the Transportation Trust Fund's expenditure forecast.

State Operations Expenditure: There was no change from the FY 2019 Appropriation of \$345.5 million.

State Capital Expenditure: There was no change from the FY 2019 Appropriation of \$270.0 million.

Federal Capital Expenditure: There was no change from the FY 2019 Appropriation of \$275.0 million.

U.S. 301 Capital Expenditure: The FY 2019 estimate is \$127.7 million.

A motion was made, seconded, and approved to accept \$1,018.2 million as the FY 2019 TTF expenditure estimate. The estimate represents an increase of \$98.8 million from the FY 2018 value (See Table 4.)

TTF -- Revenues: Mr. Motyl presented the Transportation Trust Fund's revenue forecast.

The following changes were made from the June estimates.

FY 2019 Estimates:

Toll Road Revenues: There was no change from the June estimate of \$208.9 million.

Motor Fuel Tax Administration: There was no change from the June estimate of \$139.4 million.

Division of Motor Vehicles: Increased from \$215.8 million in June to \$218.0 million.

Mr. Motyl said the \$2.2 million increase in the Registration Fees estimate was due to ongoing strength in the revenue category. He also mentioned that the

resulting growth rate is consistent with the FY 2018 rate.

In response to a question from Mr. Ratledge, Mr. Motyl said the US 301 toll road is on track to be completed by the end of December.

Other Transportation Revenues: There was no change from the June estimate of \$15.6 million.

U.S. 301 Capital Expenditure: There was no change from the June estimate of \$7.9 million.

A motion was made, seconded, and approved to accept \$589.8 million as the FY 2019 TTF revenue estimate. The estimate represents an increase of \$2.2 million from the June estimate.

FY 2020 Estimates:

The following changes were made from the June estimates.

Toll Road Revenues: There was no change from the June estimate of \$211.4 million.

Motor Fuel Tax Administration: There was no change from the June estimate of \$140.8 million.

Division of Motor Vehicles: Increased from \$219.0 million in June to \$221.2 million.

Other Transportation Revenues: There was no change from the June estimate of \$16.1 million.

U.S. 301 Revenues: There was no change from the June estimate of \$17.8 million.

A motion was made, seconded, and approved to accept \$607.3 million as the FY 2020 TTF revenue estimate. The estimate represents an increase of \$2.2 million from the June estimate (See Table 5.)

Other Business:

Threshold Adjustment Factor Calculation: Mr. Johnstone mentioned that filing

thresholds have been adjusted and aligned with the consumer price index.

Mr. Houghton announced the next scheduled DEFAC meeting date:

- Wednesday, December 19, 2018
- Monday, March 18, 2019

Mr. Geisenberger said that DEFAC revenue forecasts are expected by the 25th of the month in September, December, March, April and May and no later than the 20th in June. He mentioned that payment deadlines for some major categories sometime fall on the same day as DEFAC meetings. As a result some dates and locations for the meetings have been changed. For instance the June meeting will take place on Wednesday, June 19, in Dover.

Mr Houghton asked staff at the Department of Finance to send the new calendar to all DEFAC members. In response to a question from Mr. Simpler, Mr. Geisenberger said DEFAC materials should be available on Friday afternoons for Monday meetings and on Monday afternoons for Wednesday meetings. He encouraged all members to familiarize themselves with EBoard.

There being no further business, Mr. Houghton adjourned the meeting at 3:00 p.m.

Respectfully submitted,

Arsene Aka

Table 1a.

| DEFAC Expenditures Forecast for General Fund Disbursements FY2019 (\$ in millions) | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|--|--|
| September 2018 (as of 08/31/18) DRAFT | | | | | | | | | | | | |
| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | | | |
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | | | |
| Budget Act | 3,091.5 | 3,305.3 | 3,508.6 | 3,586.8 | 3,718.2 | 3,809.5 | 3,908.5 | 4,084.1 | 4,106.9 | | | |
| Cash to Bond Bill | 0.0 | 91.0 | 115.3 | 53.4 | 60.9 | 23.8 | 0.0 | 12.6 | 0.0 | | | |
| Grant-in-Aid | 35.4 | 35.2 | 41.2 | 44.2 | 44.8 | 45.4 | 43.0 | 45.9 | 37.3 | | | |
| Continuing & Encumbered (from prior years) | 183.7 | 184.9 | 303.7 | 301.1 | 276.4 | 194.8 | 201.3 | 181.5 | 178.6 | | | |
| Supplementals | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.0 | | | |
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Table 1b.

| DEFAC Expenditures Forecast for General Fund Disbursements FY2019 (\$ in millions) | | | | | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|-------------|-------------|-------------|-------------------|------------|------------|---------------|--------------|--------------|--------------|
| September 2018 (as of 08/31/18) DRAFT | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | Difference | % change | Annual Avg. | | FY2019 YTD | % spent | % of forecast | % of | % of | % of |
| | Actual | Actual | Actual | Actual | Actual | Sep | '19 vs. '18 | '19 vs. '18 | '19 vs. '14 | (actual 08/31/18) | FY2019 YTD | FY2019 YTD | FY2018 total | FY2017 total | FY2016 total | FY2015 total |
| Salaries | 1,306.8 | 1,338.5 | 1,361.8 | 1,402.9 | 1,421.1 | 1,486.7 | 65.6 | 4.6% | 2.61% | 308.8 | 35.2% | 34.5% | 34.2% | 34.8% | 34.9% | 34.4% |
| | 396.0 | 403.0 | 453.7 | 480.5 | 479.6 | 513.7 | 34.1 | 7.1% | 5.34% | 90.4 | 10.3% | 11.6% | 11.7% | 11.6% | 10.5% | 10.4% |
| Health Care | 279.1 | 283.1 | 334.1 | 359.0 | 357.9 | 384.4 | 26.5 | 7.4% | 6.61% | 62.4 | 7.1% | 8.7% | 8.7% | 8.5% | 7.4% | 7.4% |
| Other | 116.9 | 119.9 | 119.6 | 121.5 | 121.7 | 129.3 | 7.6 | 6.2% | 2.04% | 28.0 | 3.2% | 3.0% | 3.0% | 3.1% | 3.1% | 3.1% |
| | 285.8 | 287.0 | 297.3 | 317.7 | 316.7 | 367.0 | 50.3 | 15.9% | 5.13% | 87.7 | 10.0% | 7.7% | 7.7% | 7.5% | 7.5% | 7.5% |
| Contribution | 143.0 | 147.7 | 150.6 | 152.4 | 167.6 | 205.0 | 37.4 | 22.3% | 7.47% | 46.4 | 5.3% | 4.1% | 3.7% | 3.8% | 3.7% | 3.8% |
| Health Care | 110.0 | 103.8 | 105.0 | 130.2 | 136.0 | 147.9 | 11.9 | 8.7% | 6.10% | 37.7 | 4.3% | 3.3% | 3.2% | 2.7% | 3.2% | 2.9% |
| Other | 32.8 | 35.5 | 41.7 | 35.1 | 13.1 | 14.1 | 1.0 | 7.8% | -15.52% | 3.6 | 0.4% | 0.3% | 0.9% | 1.1% | 0.9% | 0.9% |
| | 158.0 | 163.9 | 169.4 | 179.0 | 187.2 | 183.9 | (3.3) | -1.8% | 3.08% | 69.6 | 7.9% | 4.5% | 4.4% | 4.3% | 4.3% | 4.2% |
| Debt Service | | | | | | | | | | | | | | | | |
| | 379.6 | 377.9 | 349.6 | 365.7 | 362.9 | 453.0 | 90.1 | 24.8% | 3.60% | 92.3 | 10.5% | 8.8% | 8.9% | 8.9% | 9.9% | 10.0% |
| Grants | | | | | | | | | | | | | | | | |
| | 661.8 | 668.0 | 689.1 | 739.7 | 750.2 | 789.8 | 39.6 | 5.3% | 3.60% | 129.3 | 14.7% | 18.2% | 18.0% | 17.6% | 17.4% | 17.4% |
| Medicaid | | | | | | | | | | | | | | | | |
| | 517.3 | 511.9 | 513.6 | 537.6 | 526.1 | 611.7 | 85.6 | 16.3% | 3.41% | 83.3 | 9.5% | 12.8% | 13.1% | 13.1% | 13.4% | 13.6% |
| Contractual Services | | | | | | | | | | | | | | | | |
| | 69.9 | 68.0 | 66.9 | 68.7 | 61.9 | 75.7 | 13.8 | 22.3% | 1.61% | 14.4 | 1.6% | 1.5% | 1.7% | 1.7% | 1.8% | 1.8% |
| Supplies & Materials | | | | | | | | | | | | | | | | |
| | 18.8 | 14.4 | 12.3 | 14.3 | 12.4 | 16.3 | 3.9 | 31.5% | -2.81% | 2.7 | 0.3% | 0.3% | 0.3% | 0.4% | 0.4% | 0.5% |
| Capital Outlay | | | | | | | | | | | | | | | | |
| | 3,794.0 | 3,832.6 | 3,913.7 | 4,106.1 | 4,118.1 | 4,497.8 | 379.7 | 9.2% | 3.46% | 878.4 | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| FY Budgetary Expenditures | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| Comments: | | | | | | | | | | | | | | | | |

Table 1c.

| DEFACT Expenditures Forecast for General Fund Disbursements FY2019-2023 (\$ in millions) | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|---------------|---------------|---------------|
| September 2018 (as of 08/31/18) DRAFT | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | FY2014 Actual | FY2015 Actual | FY2016 Actual | FY2017 Actual | FY2018 Actual | FY2019 Sep | FY2020 Sep | FY2021 Sep |
| Salaries | 1,306.8 | 1,338.5 | 1,361.8 | 1,402.9 | 1,421.1 | 1,486.7 | 1525.5 | 1565.4 |
| Fringe Benefits | 396.0 | 403.0 | 453.7 | 480.5 | 479.6 | 513.7 | 541.7 | 571.5 |
| Health Care | 279.1 | 283.1 | 334.1 | 359.0 | 357.9 | 384.4 | 409.8 | 436.9 |
| Other | 116.9 | 119.9 | 119.6 | 121.5 | 121.7 | 129.3 | 131.9 | 134.6 |
| Pension Contribution | 285.8 | 287.0 | 297.3 | 317.7 | 316.7 | 367.0 | 389.1 | 413.3 |
| Health Care Other | 143.0 | 147.7 | 150.6 | 153.7 | 167.6 | 205.0 | 220.3 | 236.7 |
| | 110.0 | 103.8 | 105.0 | 131.3 | 136.0 | 147.9 | 156.9 | 166.5 |
| | 32.8 | 35.5 | 41.7 | 32.7 | 13.1 | 14.1 | 11.9 | 10.1 |
| Debt Service | 158.0 | 163.9 | 169.4 | 179.0 | 187.2 | 183.9 | 189.6 | 195.4 |
| Grants | 379.6 | 377.9 | 349.6 | 365.7 | 362.9 | 453.0 | 469.3 | 486.2 |
| Medicaid | 661.8 | 668.0 | 689.1 | 739.7 | 750.2 | 789.8 | 818.2 | 847.7 |
| Contractual Services | 517.3 | 511.9 | 513.6 | 537.6 | 526.1 | 611.7 | 632.6 | 654.1 |
| Supplies & Materials | 69.9 | 68.0 | 66.9 | 68.7 | 61.9 | 75.7 | 76.9 | 78.2 |
| Capital Outlay | 18.8 | 14.4 | 12.3 | 14.3 | 12.4 | 16.3 | 15.8 | 15.4 |
| FY Budgetary Expenditures | 3,794.0 | 3,832.6 | 3,913.7 | 4,106.1 | 4,118.1 | 4,497.8 | 4,658.9 | 4,827.2 |
| | | | | | | | | |
| Comments: | | | | | | | | |
| Forecast is based on the annual average growth rate for each category FY2014-FY2019(August Estimate). | | | | | | | | |

Table 2. DEFAC General Fund Revenue Worksheet

| September-18 DEFAC Meeting | | FY 2018 | FY 2018 | FY 2018 | FY 2019 | | | | | | |
|-------------------------------|--|-----------------|----------------------------|------------------------------|----------------------|--------------------|----------------------|--------------------|------------------------------|------------------------------|--|
| | | DEFAC Jun-18 | A Actual Collections | Variance Actual - June | B DEFAC Jun-18 | C % B over A | D DEFAC Sep-18 | E % D over A | EE Legislative Changes | F \$ Increase D over B | |
| Revenue Category | | | | | | | | | | | |
| Personal Income Tax | | 1,645.6 | 1,641.4 | (4.2) | 1,735.1 | 5.7% | 1,730.8 | 5.4% | | (4.3) | |
| Less: Refunds | | (220.2) | (213.2) | 7.0 | (248.8) | 16.7% | (240.9) | 13.0% | | 7.9 | |
| PIT Less Refunds | | 1,425.4 | 1,428.2 | 2.8 | 1,486.3 | 4.1% | 1,489.9 | 4.3% | | 3.6 | |
| Franchise Tax | | 862.4 | 856.7 | (5.7) | 853.0 | -0.4% | 853.0 | -0.4% | | 0.0 | |
| Limited Partnerships & LLC's | | 301.0 | 305.1 | 4.1 | 316.1 | 3.6% | 316.1 | 3.6% | | 0.0 | |
| Subtotal Franchise + LP/LLC | | 1,163.4 | 1,161.8 | (1.6) | 1,169.1 | 0.6% | 1,169.1 | 0.6% | | 0.0 | |
| Less: Refunds | | (10.0) | (10.0) | 0.0 | (10.0) | 0.2% | (10.0) | 0.2% | | 0.0 | |
| Net Franchise + LP/LLC | | 1,153.4 | 1,151.9 | (1.5) | 1,159.1 | 0.6% | 1,159.1 | 0.6% | | 0.0 | |
| Business Entity Fees | | 119.3 | 119.0 | (0.3) | 122.4 | 2.9% | 127.4 | 7.1% | | 5.0 | |
| Uniform Commercial Code | | 23.0 | 23.4 | 0.4 | 23.6 | 0.7% | 26.6 | 13.5% | | 3.0 | |
| Abandoned Property | | 554.0 | 551.7 | (2.3) | 525.0 | -4.8% | 554.0 | 0.4% | | 29.0 | |
| Less: Refunds | | (50.0) | (45.5) | 4.5 | (120.0) | 164.0% | (120.0) | 164.0% | | 0.0 | |
| Abandoned Prop Less Refunds | | 504.0 | 506.2 | (6.8) | 405.0 | -20.0% | 434.0 | -14.3% | | 29.0 | |
| Gross Receipts Tax | | 241.6 | 245.0 | 3.4 | 252.5 | 3.1% | 258.0 | 5.3% | | 5.5 | |
| Lottery | | 211.5 | 212.0 | 0.5 | 209.8 | -1.0% | 203.6 | -4.0% | (11.4) | (6.2) | |
| Corporation Income Tax | | 169.0 | 165.1 | (3.9) | 132.8 | -19.5% | 132.8 | -19.5% | | 0.0 | |
| Less: Refunds | | (76.0) | (75.3) | 0.7 | (40.0) | -46.9% | (40.0) | -46.9% | | 0.0 | |
| CIT Less Refunds | | 93.0 | 89.7 | (3.3) | 92.8 | 3.4% | 92.8 | 3.4% | | 0.0 | |
| Realty Transfer Tax | | 143.7 | 143.8 | 0.1 | 158.0 | 9.9% | 154.1 | 7.2% | (3.9) | (3.9) | |
| Cigarette Taxes | | 128.0 | 123.0 | (5.0) | 130.3 | 5.9% | 126.7 | 3.0% | | (3.6) | |
| Bank Franchise Tax | | 89.4 | 89.2 | (0.2) | 91.5 | 2.5% | 90.5 | 1.4% | | (1.0) | |
| Insurance Taxes and Fees | | 73.5 | 73.4 | (0.1) | 78.6 | 7.1% | 78.7 | 7.3% | | 0.1 | |
| Hospital Board and Treatment | | 38.0 | 38.1 | 0.1 | 38.3 | 0.6% | 37.8 | -0.7% | | (0.5) | |
| Public Utility Tax | | 43.0 | 43.1 | 0.1 | 37.0 | -14.1% | 37.1 | -13.9% | | 0.1 | |
| Alcoholic Beverage Tax | | 26.2 | 26.6 | 0.4 | 27.6 | 3.9% | 28.0 | 5.4% | | 0.4 | |
| Dividends and Interest | | 11.3 | 11.7 | 0.4 | 19.7 | 68.0% | 16.2 | 38.2% | | (3.5) | |
| Other Revenues | | 82.4 | 78.9 | (3.5) | 72.9 | -7.6% | 73.4 | -7.0% | 0.5 | 0.5 | |
| Less: Other Refunds | | (11.6) | (10.2) | 1.4 | (22.0) | 115.5% | (23.1) | 126.2% | (1.1) | (1.1) | |
| Net Receipts | | 4,395.1 | 4,393.0 | (2.1) | 4,383.4 | -0.2% | 4,410.8 | 0.4% | (15.9) | 27.4 | |

Changes in Revenue Resolution

Net DEFAC Changes

Adj Growth Rate

(15.9)

43.32.00%

Table 2. DEFAC General Fund Revenue Worksheet

| September-18 DEFAC Meeting | FY 2020 | | | | | | FY 2021 | | | | |
|-------------------------------|----------------------|--------------------|----------------------|--------------------|------------------------------|------------------------------|----------------------|--------------------|----------------------|--------------------|------------------------------|
| | G DEFAC Jun-18 | H % G over B | I DEFAC Sep-18 | J % I over D | JJ Legislative Changes | K \$ Increase I over G | L DEFAC Jun-18 | M % L over G | N DEFAC Sep-18 | O % N over I | P \$ Increase N over L |
| Revenue Category | | | | | | | | | | | |
| Personal Income Tax | 1,827.3 | 5.3% | 1,823.0 | 5.3% | (5.3) | (4.3) | NA | NA | 1,918.4 | 5.2% | NA |
| Less: Refunds | (241.9) | -2.8% | (238.6) | -1.0% | | 3.3 | NA | NA | (255.1) | 6.9% | NA |
| PIT Less Refunds | 1,585.4 | 6.7% | 1,584.4 | 6.3% | | (1.0) | NA | NA | 1,663.3 | 5.0% | NA |
| Franchise Tax | 861.5 | 1.0% | 861.5 | 1.0% | | 0.0 | NA | NA | 870.1 | 1.0% | NA |
| Limited Partnerships & LLC's | 331.8 | 5.0% | 338.2 | 7.0% | | 6.4 | NA | NA | 361.9 | 7.0% | NA |
| Subtotal Franchise + LP/LLC | 1,193.3 | 2.1% | 1,199.7 | 2.6% | | 6.4 | NA | NA | 1,232.0 | 2.7% | NA |
| Less: Refunds | (10.0) | 0.0% | (10.0) | 0.0% | | 0.0 | NA | NA | (10.0) | 0.0% | NA |
| Net Franchise + LP/LLC | 1,183.3 | 2.1% | 1,189.7 | 2.6% | | 6.4 | NA | NA | 1,222.0 | 2.7% | NA |
| Business Entity Fees | 125.6 | 2.6% | 130.6 | 2.5% | | 5.0 | NA | NA | 133.9 | 2.5% | NA |
| Uniform Commercial Code | 24.2 | 2.5% | 27.6 | 3.8% | | 3.4 | NA | NA | 28.0 | 1.4% | NA |
| Abandoned Property | 500.0 | -4.8% | 510.0 | -7.9% | | 10.0 | NA | NA | 450.0 | -11.8% | NA |
| Less: Refunds | (105.0) | -12.5% | (105.0) | -12.5% | | 0.0 | NA | NA | (100.0) | -4.8% | NA |
| Abandoned Prop Less Refunds | 395.0 | -2.5% | 405.0 | -6.7% | | 10.0 | NA | NA | 350.0 | -13.6% | NA |
| Gross Receipts Tax | 261.2 | 3.4% | 268.3 | 4.0% | | 7.1 | NA | NA | 279.0 | 4.0% | NA |
| Lottery | 211.0 | 0.6% | 201.9 | -0.8% | (16.8) | (9.1) | NA | NA | 203.4 | 0.7% | NA |
| Corporation Income Tax | 153.7 | 15.7% | 153.7 | 15.7% | | 0.0 | NA | NA | 158.9 | 3.4% | NA |
| Less: Refunds | (42.0) | 5.0% | (42.0) | 5.0% | | 0.0 | NA | NA | (44.1) | 5.0% | NA |
| CIT Less Refunds | 111.7 | 20.4% | 111.7 | 20.4% | | 0.0 | NA | NA | 114.8 | 2.8% | NA |
| Realty Transfer Tax | 165.1 | 4.5% | 161.6 | 4.9% | (4.3) | (3.5) | NA | NA | 169.7 | 5.0% | NA |
| Cigarette Taxes | 127.7 | -2.0% | 131.1 | 3.5% | | 3.4 | NA | NA | 128.5 | -2.0% | NA |
| Bank Franchise Tax | 96.4 | 5.4% | 95.8 | 5.9% | | (0.6) | NA | NA | 97.6 | 1.9% | NA |
| Insurance Taxes and Fees | 72.2 | -8.1% | 72.1 | -8.4% | | (0.1) | NA | NA | 77.9 | 8.0% | NA |
| Hospital Board and Treatment | 38.7 | 1.0% | 38.1 | 0.8% | | (0.6) | NA | NA | 37.4 | -1.8% | NA |
| Public Utility Tax | 36.1 | -2.4% | 36.5 | -1.6% | | 0.4 | NA | NA | 36.2 | -0.8% | NA |
| Alcoholic Beverage Tax | 28.2 | 2.0% | 28.6 | 2.0% | | 0.4 | NA | NA | 29.1 | 2.0% | NA |
| Dividends and Interest | 26.6 | 35.0% | 18.7 | 15.4% | | (7.9) | NA | NA | 24.4 | 30.5% | NA |
| Other Revenues | 74.5 | 2.2% | 74.5 | 1.5% | | 0.0 | NA | NA | 76.6 | 2.8% | NA |
| Less: Other Refunds | (18.0) | -18.2% | (19.1) | -17.3% | (1.1) | (1.1) | NA | NA | (19.1) | 0.0% | NA |
| Net Receipts | 4,544.9 | 3.7% | 4,557.1 | 3.3% | (22.2) | 12.2 | NA | NA | 4,652.7 | 2.1% | NA |

Changes in Revenue Resolution

Net DEFAC Changes

Adj Growth Rate

(22.2)

34.44.00%1.75%

Table 2. DEFAC General Fund Revenue Worksheet

| September-18 DEFAC Meeting | | FY 2022 | | | | | FY 2023 | | | | |
|-------------------------------|--|----------------------|--------------------|----------------------|--------------------|------------------------------|----------------------|--------------------|----------------------|--------------------|------------------------------|
| | | Q DEFAC Jun-18 | R % Q over L | S DEFAC Sep-18 | T % S over N | U \$ Increase T over Q | V DEFAC Jun-18 | W % V over Q | X DEFAC Sep-18 | Y % X over S | Z \$ Increase X over V |
| Revenue Category | | | | | | | | | | | |
| Personal Income Tax | | NA | NA | 2,018.3 | 5.2% | NA | NA | NA | 2,124.2 | 5.2% | NA |
| Less: Refunds | | NA | NA | (272.9) | 7.0% | NA | NA | NA | (286.5) | 5.0% | NA |
| PIT Less Refunds | | NA | NA | 1,745.5 | 4.9% | | | NA | 1,837.7 | 5.3% | NA |
| Franchise Tax | | NA | NA | 878.8 | 1.0% | NA | NA | NA | 887.6 | 1.0% | NA |
| Limited Partnerships & LLC's | | NA | NA | 387.2 | 7.0% | NA | NA | NA | 414.3 | 7.0% | NA |
| Subtotal Franchise + LP/LLC | | NA | NA | 1,266.0 | 2.8% | NA | NA | NA | 1,301.9 | 2.8% | NA |
| Less: Refunds | | NA | NA | (10.0) | 0.0% | NA | NA | NA | (10.0) | 0.0% | NA |
| Net Franchise + LP/LLC | | NA | NA | 1,256.0 | 2.8% | NA | NA | NA | 1,291.9 | 2.9% | NA |
| Business Entity Fees | | NA | NA | 137.2 | 2.5% | NA | NA | NA | 140.6 | 2.5% | NA |
| Uniform Commercial Code | | NA | NA | 28.6 | 2.1% | NA | NA | NA | 29.4 | 2.8% | NA |
| Abandoned Property | | NA | NA | 450.0 | 0.0% | NA | NA | NA | 450.0 | 0.0% | NA |
| Less: Refunds | | NA | NA | (100.0) | 0.0% | NA | NA | NA | (100.0) | 0.0% | NA |
| Abandoned Prop Less Refunds | | NA | NA | 350.0 | 0.0% | NA | NA | NA | 350.0 | 0.0% | NA |
| Gross Receipts Tax | | NA | NA | 290.1 | 4.0% | NA | NA | NA | 301.7 | 4.0% | NA |
| Lottery | | NA | NA | 208.5 | 2.5% | NA | NA | NA | 213.7 | 2.5% | NA |
| Corporation Income Tax | | NA | NA | 142.4 | -10.4% | NA | NA | NA | 146.7 | 3.0% | NA |
| Less: Refunds | | NA | NA | (45.4) | 3.0% | NA | NA | NA | (46.8) | 3.0% | NA |
| CIT Less Refunds | | NA | NA | 97.0 | -15.5% | NA | NA | NA | 99.9 | 3.0% | NA |
| Realty Transfer Tax | | NA | NA | 176.5 | 4.0% | NA | NA | NA | 183.6 | 4.0% | NA |
| Cigarette Taxes | | NA | NA | 125.9 | -2.0% | NA | NA | NA | 123.4 | -2.0% | NA |
| Bank Franchise Tax | | NA | NA | 99.6 | 2.0% | NA | NA | NA | 101.6 | 2.0% | NA |
| Insurance Taxes and Fees | | NA | NA | 74.1 | -4.9% | NA | NA | NA | 80.0 | 8.0% | NA |
| Hospital Board and Treatment | | NA | NA | 43.5 | 16.3% | NA | NA | NA | 44.0 | 1.1% | NA |
| Public Utility Tax | | NA | NA | 35.8 | -1.0% | NA | NA | NA | 35.5 | -1.0% | NA |
| Alcoholic Beverage Tax | | NA | NA | 29.7 | 2.0% | NA | NA | NA | 30.3 | 2.0% | NA |
| Dividends and Interest | | NA | NA | 23.9 | -2.0% | NA | NA | NA | 23.3 | -2.5% | NA |
| Other Revenues | | NA | NA | 79.7 | 4.1% | NA | NA | NA | 82.9 | 4.0% | NA |
| Less: Other Refunds | | NA | NA | (17.6) | -7.9% | NA | NA | NA | (17.6) | 0.0% | NA |
| Net Receipts | | NA | NA | 4,784.0 | 2.8% | NA | NA | NA | 4,951.9 | 3.5% | NA |

Changes in Revenue Resolution

Net DEFAC Changes

Adj Growth Rate

Table 3. Balance and Appropriations Worksheet

| FY 2019 EXPENDITURES | | FY 2019 BALANCES | | FY 2020 APPROPRIATION LIMITS | |
|---|-----------|---|-----------|---|-----------|
| Total Spending Authority | \$4,745.2 | Total Expenditures | \$4,497.8 | FY 2020 Revenue Estimate | \$4,557.1 |
| Less: Continuing Appropriations & Encumbrances from FY 2019 | (\$237.4) | vs. FY 2019 Revenues | 4,410.8 | Unencumbered Cash Balance from FY 19 | \$185.1 |
| Less: Reversions | (\$10.0) | Operating Balance | (87.0) | 100% Appropriation Limit | \$4,742.2 |
| Total Expenditures | \$4,497.8 | Prior Year Cash Balance | \$749.9 | 98% Appropriation Limit | \$4,647.3 |
| | | Cumulative Cash Balance | 662.9 | Prior 98% Appropriation Limit | NA |
| | | Less: Continuing Appropriations & Encumbrances from FY 2019 | (237.4) | Increase (Decrease) from Prior Meeting | NA |
| | | Less: Budgetary Reserve Account | (\$240.4) | Sept. 2018 98% Appropriation Limit | \$4,647.3 |
| | | Unencumbered Cash Balance 6/30 | \$185.1 | Increase (Decrease) from September 2018 | NA |

| FY 2019 BUDGET | |
|---|-----------|
| Budget | \$4,270.8 |
| Grants | \$52.1 |
| Supplemental | \$238.2 |
| Total Appropriations | \$4,561.1 |
| Plus: Continuing Appropriations & Encumbrances from Prior Years | \$184.1 |
| Total Spending Authority | \$4,745.2 |

Table 4.

| Delaware Department of Transportation FY 2019 Expenditures, Through August 31 2018 | | | | | | | | 17% |
|---|------------------|------------------|-------------------------|---------------------------------|---------------|---|------------------------|----------------|
| | FY2017 Actual | FY2018 Actual | FY2019 Appropriation | SEPTEMBER FY2019 Forecast | \$ difference | \$ difference Forecast V. FY2018 Actual | FY2019 YTD Spend | % spent YTD |
| <u>Operations</u> | | | w/o US301 | | | | | |
| Debt Service | 94.0 | 91.6 | 94.5 | 94.5 | 0.0 | 2.9 | 81.5 | 86% |
| Personnel Costs | 91.5 | 90.7 | 92.7 | 92.7 | 0.0 | 2.0 | 17.9 | 19% |
| Operations/Capital Outlay | 56.4 | 62.8 | 65.1 | 65.1 | 0.0 | 2.3 | 7.2 | 11% |
| Transit Operations (DTC) | 87.8 | 89.8 | 93.2 | 93.2 | 0.0 | 3.4 | 15.5 | 17% |
| Total Expenditures - Operations | 329.7 | 334.9 | 345.5 | 345.5 | 0.0 | 10.6 | 122.1 | 35% |
| <u>State Capital</u> | | | | | | | | |
| Road System | 135.1 | 146.4 | 153.0 | 153.0 | 0.0 | 6.6 | 29.8 | 19% |
| Grants & Allocations | 22.7 | 24.7 | 33.3 | 33.3 | 0.0 | 8.6 | 6.5 | 20% |
| Support Systems | 37.8 | 42.9 | 43.7 | 43.7 | 0.0 | 0.8 | 4.8 | 11% |
| Transit | 21.9 | 19.9 | 40.0 | 40.0 | 0.0 | 20.1 | 8.5 | 21% |
| State Capital | 217.5 | 233.9 | 270.0 | 270.0 | 0.0 | 36.1 | 49.6 | 18% |
| <u>Federal Capital</u> | | | | | | | | |
| Federal Capital | 215.9 | 233.9 | 275.0 | 275.0 | 0.0 | 41.1 | 41.0 | 15% |
| Total Expenditures - Capital | 433.4 | 467.8 | 545.0 | 545.0 | 0.0 | 77.2 | 90.6 | 17% |
| TOTAL EXPENDITURES | 763.1 | 802.7 | 890.5 | 890.5 | 0.0 | 87.8 | 212.7 | 24% |

| | SEPTEMBER FY2019 Forecast | \$ difference | \$ difference Forecast V. FY2018 Actual | FY2019 YTD Spend | % spent YTD |
|--------------|---------------------------------|---------------|---|------------------------|----------------|
| DelDOT | 890.5 | \$ - | \$ 87.8 | \$ 212.7 | 24% |
| US301 | 127.7 | \$ - | \$ 11.0 | \$ 20.2 | 16% |
| TOTAL | 1,018.2 | \$ - | \$ 98.8 | \$ 232.9 | 23% |

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues

| | | | | | Fiscal 2019 | | | Fiscal 2020 | | |
|-----------------------------------|-------------|-------------|---------------|--|-----------------------|---------------------|-----------------|-----------------------|---------------------|-----------------|
| | FY17 | FY18 | % Chg. | | 6/18/2018 Approved | 9/17/2018 Recomm | % Chg. FY 18 | 6/18/2018 Approved | 9/17/2018 Recomm | % Chg. FY 19 |
| TOLL ROAD REVENUES: | | | | | | | | | | |
| I95 Newark Plaza | \$133.7 | \$138.8 | 3.8% | | \$142.4 | \$142.4 | 2.6% | \$143.8 | \$143.8 | 1.0% |
| Route 1 Toll Road | 61.3 | 62.0 | 1.1% | | \$64.0 | \$64.0 | 3.3% | \$65.0 | \$65.0 | 1.6% |
| Concessions | <u>2.5</u> | <u>2.4</u> | <u>-4.0%</u> | | <u>\$2.5</u> | <u>\$2.5</u> | <u>0.0%</u> | <u>\$2.6</u> | <u>\$2.6</u> | <u>0.0%</u> |
| Total Toll Road Revenues | 197.5 | 203.2 | 2.9% | | \$208.9 | \$208.9 | 2.8% | \$211.4 | \$211.4 | 1.2% |
| MOTOR FUEL TAX ADMIN. | 132.1 | 134.1 | 1.5% | | \$139.4 | \$139.4 | 4.0% | \$140.8 | \$140.8 | 1.0% |
| DIVISION OF MOTOR VEHICLES | | | | | | | | | | |
| Motor Vehicle Document Fees | 116.3 | 116.2 | -0.1% | | \$119.3 | \$119.3 | 2.6% | \$121.1 | \$121.1 | 1.5% |
| Motor Vehicle Registration Fees | 54.5 | 55.9 | 2.6% | | \$55.8 | \$58.0 | 3.8% | \$56.6 | \$58.8 | 1.4% |
| Other DMV Revenues | <u>40.2</u> | <u>40.2</u> | <u>0.0%</u> | | <u>\$40.7</u> | <u>\$40.7</u> | <u>1.3%</u> | <u>\$41.3</u> | <u>\$41.3</u> | <u>1.5%</u> |
| Total DMV Revenues | 211.0 | 212.3 | 0.6% | | \$215.8 | \$218.0 | 2.7% | \$219.0 | \$221.2 | 1.5% |
| OTHER TRANSPORTATION REV. | | | | | | | | | | |
| Other Transportation Rev | 13.7 | 13.0 | -5.1% | | \$12.6 | \$12.6 | -3.2% | \$12.6 | \$12.6 | 0.0% |
| Investment Income(Net) | <u>0.3</u> | <u>3.0</u> | <u>900.0%</u> | | <u>\$3.0</u> | <u>\$3.0</u> | <u>-1.6%</u> | <u>\$3.5</u> | <u>\$3.5</u> | <u>16.7%</u> |
| Total Other Transp. Revenue | 14.0 | 16.0 | 14.3% | | \$15.6 | \$15.6 | -2.5% | \$16.1 | \$16.1 | 3.2% |
| GRAND TOTAL | \$554.6 | \$565.6 | 2.0% | | \$579.7 | \$581.9 | 2.9% | \$587.3 | \$589.5 | 1.3% |

| | FY17 | FY18 | % Chg. | Fiscal 2019 | | | Fiscal 2020 | | |
|----------------|----------|----------|--------|-------------|-------|----|-------------|----|-------|
| US301 Revenues | \$ - | \$ - | | \$ | 7.9 | \$ | 17.8 | \$ | 17.8 |
| TOTAL | \$ 554.6 | \$ 565.6 | 2.0% | \$ | 587.6 | \$ | 589.8 | \$ | 607.3 |
| | | | | | | | 4.3% | | 3.0% |